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THE HON. LONNY R. SUKO

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

RED 1 INVESTMENTS, INC.

Plaintiff,

V.

AMPHION INTERNATIONAL LTD.,
AMPHION INTERNATIONAL INC..

Defendants.

NO. CV-06-279-LRS

PERMANENT INJUNCTION

THIS CAUSE was heard on Plaintiff's verified complaint, its motion for a temporary restraining order with attached affidavits, and its motion for preliminary injunction. This Court entered a Temporary Restraining Order (Ct. Rec. 9) in this matter on September 27, 2006. Upon motion, this Court entered a Preliminary Injunction (Ct. Rec. 20) on October 11, 2006. Judgment is now being entered against defendants and the Preliminary Injunction is hereby converted to a final Permanent Injunction as follows:

1. It appears to the Court that Defendants are and will continue to interfere with Plaintiff's security interest as set forth in Plaintiff's complaint and affidavits

PERMANENT INJUNCTION: 1

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1 and have been and will continue to carry out such acts unless restrained by
2 order of this Court.

3 2. It further appears that immediate and irreparable injury, loss, and damage
4 will result to Plaintiff if this order is not granted because:

5 a. Defendants have previously moved the property subject to this order
6 on multiple occasions without notice to Plaintiff, and there is a genuine fear
7 that the property may be moved again without notice.

8 b. The property is the primary tangible asset of the Defendants upon
9 which the Defendant companies exist and upon which Plaintiff's security
10 interest is based.

11 c. Amphion International, Ltd.'s primary shareholder, John Gill, is
12 believed to have been convicted of a felony involving racketeering charges
13 in another court, and has controlled certain of the property at a location he
14 controls, despite the fact that he is no longer an officer or director of
15 Amphion International, Ltd.

16 d. If the property is secreted, lost or destroyed before it is seized by
17 Plaintiff, the ability of Plaintiff to collect on the substantial debt claimed
18 owed by Defendants will be severely jeopardized. Without possession of the
19 prototypes embodying the technology subject to U.S. Patents held by
20 Amphion Limited, as well as the written technical data related thereto, the
21 value of the patents is severely diminished.

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PERMANENT INJUNCTION: 2

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1 3. Plaintiff has prevailed on its claims, the Defendants have not appeared or
2 answered in this matter, and a default judgment has been entered by the
3 Court against the Defendants, jointly and severally.
4

5 4. The Court further finds that the balance of harm to the parties weighs in
6 favor of the preliminary injunction being converted to a permanent
7 injunction. Further, the public interest is served in granting relief in this
8 case.
9

10 5. The Court further finds that notice of Plaintiff's request for the preliminary
11 injunction to remain in force and effect has been provided to Defendants and
12 said Defendants have not appeared or opposed the granting of relief in this
13 matter.

14 IT IS ORDERED, therefore, that:

15 1. The Preliminary Injunction (Ct. Rec. 20) entered by this Court
16 on October 11, 2006 is hereby converted to this Final
17 Injunction.
18

19 2. Defendants, Defendants' agents, employees, and all other persons, firms, or
20 corporations acting or claiming to act in Defendants' behalf, or in concert or
21 participation with Defendants, and any other individual or entity duly served
22 with a copy of this order, are hereby restrained and enjoined from interfering
23 with the plaintiff's security interest.
24

25 3. Plaintiff Red 1 Investments, Inc. may continue to complete the following to
26 the extent not already completed:

PERMANENT INJUNCTION: 3

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- 1 a. Undertake entry into the facilities leased by the Defendant
2 located at 3305 Victory Drive, Columbus, Georgia.
- 3 b. Take immediate possession of certain collateral, as described in
4 the Security Agreement between the parties dated March 1,
5 2004, including, but not limited to: (1) physical prototypes
6 embodying technology subject to the defendant's U.S. Patents;
7 (2) hard copy files, computer storage media, and physical
8 computers containing electronic files of various mechanical
9 drawings, electronic schematics, chemical formulae, patent
10 data, and information; and other technical drawings associated
11 with intellectual property owned by the defendant; (3) items of
12 equipment and inventory for constructing devices embodying
13 the defendant's intellectual property; and (4) items containing
14 information related to the United States business operations,
15 including its accounts and customers.
- 16 c. To undertake transport of such collateral by Security Storage
17 and Moving, an agent of North American Van Lines, to its
18 bonded warehouse located at 4531 Milgen Rd., Columbus,
19 Georgia, where such collateral shall be stored pending transport
20 to Spokane, Washington.
- 21 d. To undertake transport of such collateral via agents of Allied
22 Van Lines, American Van Service, Inc.'s, to its bonded
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PERMANENT INJUNCTION: 4

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warehouse located at American Van Service, Inc., 707 W. Geiger Blvd., Spokane, Washington, at which location the collateral shall remain stored pending judgment or such other further order of the Court.

5. The assets of Amphion International Ltd. and/or Amphion International Inc. which have been seized by RED 1 Investments, Inc. to date, per prior orders of the court or as assigned per the Judgment granted in this action, may be held or, after giving due and proper notice to Defendants and any parties claiming junior security interests therein, may be sold by RED 1 Investments, Inc. in a commercially reasonable manner.

DATED this 28th day of February, 2007.

s/Lonny R. Suko
Lonny R. Suko
United States District Judge

PERMANENT INJUNCTION: 5

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